



General Assembly

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Amendment

LCO No. 6487

HB0620906487HDO

Offered by:
REP. FONTANA, 87th Dist.

To: Subst. House Bill No. 6209

File No. 200

Cal. No. 199

"AN ACT CONCERNING THE RENEWABLE ENERGY INVESTMENT FUND."

1 In line 62 after "administered" insert "for administrative purposes
2 only"

3 In line 69 insert an opening and closing bracket around "it" and
4 insert "Connecticut Innovations, Incorporated" after the closing bracket

5 In line 78, after "technologies." insert "The Department of Public
6 Utility Control shall, in an uncontested proceeding during which the
7 department may hold a public hearing, approve, modify or reject the
8 comprehensive plan prepared pursuant to this subsection."

9 In line 81, strike "appoint and"

10 In line 90, strike "twenty" and insert "nineteen" in lieu thereof

11 In line 112, after "association" insert "or chamber of commerce"

12 In line 117, after "Senate;" insert "and" and strike "a representative of"

13 a chamber of commerce appointed by"

14 In line 118, strike "the Governor; and (16)"

15 After the last section, add the following and renumber sections and
16 internal references accordingly:

17 "Sec. 501. Section 16-245m of the general statutes is repealed and the
18 following is substituted in lieu thereof (*Effective October 1, 2007*):

19 (a) (1) On and after January 1, 2000, the Department of Public Utility
20 Control shall assess or cause to be assessed a charge of three mills per
21 kilowatt hour of electricity sold to each end use customer of an electric
22 distribution company to be used to implement the program as
23 provided in this section for conservation and load management
24 programs but not for the amortization of costs incurred prior to July 1,
25 1997, for such conservation and load management programs.

26 (2) Notwithstanding the provisions of this section, receipts from
27 such charge shall be disbursed to the resources of the General Fund
28 during the period from July 1, 2003, to June 30, 2005, unless the
29 department shall, on or before October 30, 2003, issue a financing order
30 for each affected electric distribution company in accordance with
31 sections 16-245e to 16-245k, inclusive, to sustain funding of
32 conservation and load management programs by substituting an
33 equivalent amount, as determined by the department in such financing
34 order, of proceeds of rate reduction bonds for disbursement to the
35 resources of the General Fund during the period from July 1, 2003, to
36 June 30, 2005. The department may authorize in such financing order
37 the issuance of rate reduction bonds that substitute for disbursement to
38 the General Fund for receipts of both the charge under this subsection
39 and under subsection (b) of section 16-245n, as amended by this act,
40 and also may, in its discretion, authorize the issuance of rate reduction
41 bonds under this subsection and subsection (b) of section 16-245n, as
42 amended by this act, that relate to more than one electric distribution
43 company. The department shall, in such financing order or other
44 appropriate order, offset any increase in the competitive transition

45 assessment necessary to pay principal, premium, if any, interest and
46 expenses of the issuance of such rate reduction bonds by making an
47 equivalent reduction to the charge imposed under this subsection,
48 provided any failure to offset all or any portion of such increase in the
49 competitive transition assessment shall not affect the need to
50 implement the full amount of such increase as required by this
51 subsection and by sections 16-245e to 16-245k, inclusive. Such
52 financing order shall also provide if the rate reduction bonds are not
53 issued, any unrecovered funds expended and committed by the
54 electric distribution companies for conservation and load management
55 programs, provided such expenditures were approved by the
56 department after August 20, 2003, and prior to the date of
57 determination that the rate reduction bonds cannot be issued, shall be
58 recovered by the companies from their respective competitive
59 transition assessment or systems benefits charge but such expenditures
60 shall not exceed four million dollars per month. All receipts from the
61 remaining charge imposed under this subsection, after reduction of
62 such charge to offset the increase in the competitive transition
63 assessment as provided in this subsection, shall be disbursed to the
64 Energy Conservation and Load Management Fund commencing as of
65 July 1, 2003. Any increase in the competitive transition assessment or
66 decrease in the conservation and load management component of an
67 electric distribution company's rates resulting from the issuance of or
68 obligations under rate reduction bonds shall be included as rate
69 adjustments on customer bills.

70 (b) The electric distribution company shall establish an Energy
71 Conservation and Load Management Fund which shall be held
72 separate and apart from all other funds or accounts. Receipts from the
73 charge imposed under subsection (a) of this section shall be deposited
74 into the fund. Any balance remaining in the fund at the end of any
75 fiscal year shall be carried forward in the fiscal year next succeeding.
76 Disbursements from the fund by electric distribution companies to
77 carry out the plan developed under subsection (d) of this section shall
78 be authorized by the Department of Public Utility Control upon its

79 approval of such plan.

80 (c) The Department of Public Utility Control shall appoint and
81 convene an Energy Conservation Management Board which shall
82 include representatives of: (1) An environmental group knowledgeable
83 in energy conservation program collaboratives; (2) the Office of
84 Consumer Counsel; (3) the Attorney General; (4) the Department of
85 Environmental Protection; (5) the electric distribution companies in
86 whose territories the activities take place for such programs; (6) a state-
87 wide manufacturing association; (7) a chamber of commerce; (8) a
88 state-wide business association; (9) a state-wide retail organization;
89 (10) a representative of a municipal electric energy cooperative created
90 pursuant to chapter 101a; (11) two representatives selected by the gas
91 companies in this state; and (12) residential customers. Such members
92 shall serve for a period of five years and may be reappointed.
93 Representatives of the gas companies shall not vote on matters
94 unrelated to gas conservation. Representatives of the electric
95 distribution companies and the municipal electric energy cooperative
96 shall not vote on matters unrelated to electricity conservation.

97 (d) (1) The Energy Conservation Management Board shall advise
98 and assist the electric distribution companies in the development and
99 implementation of a comprehensive plan, which plan shall be
100 approved by the Department of Public Utility Control, to implement
101 cost-effective energy conservation programs and market
102 transformation initiatives. The plan shall be consistent with the
103 comprehensive energy plan approved by the Connecticut Energy
104 Advisory Board pursuant to section 16a-7a at the time of submission to
105 the department. Each program contained in the plan shall be reviewed
106 by the electric distribution company and either accepted or rejected by
107 the Energy Conservation Management Board prior to submission to
108 the department for approval. The Energy Conservation Management
109 Board shall, as part of its review, examine opportunities to offer joint
110 programs providing similar efficiency measures that save more than
111 one fuel resource or otherwise to coordinate programs targeted at
112 saving more than one fuel resource. Any costs for joint programs shall

113 be allocated equitably among the conservation programs. The Energy
114 Conservation Management Board shall give preference to projects that
115 maximize the reduction of federally mandated congestion charges. The
116 Department of Public Utility Control shall, in an uncontested
117 proceeding during which the department may hold a public hearing,
118 approve, modify or reject the comprehensive plan prepared pursuant
119 to this subsection.

120 (2) There shall be a joint committee of the Energy Conservation
121 Management Board and the Renewable Energy Investments Advisory
122 Committee. The board and the advisory committee shall each appoint
123 members to such joint committee. The joint committee shall examine
124 opportunities to coordinate the programs and activities funded by the
125 Renewable Energy Investment Fund pursuant to section 16-245n with
126 the programs and activities contained in the plan developed under this
127 subsection to reduce the long-term cost, environmental impacts and
128 security risks of energy in the state. Such joint committee shall hold its
129 first meeting on or before August 1, 2005.

130 (3) Programs included in the plan developed under subdivision (1)
131 of subsection (d) of this section shall be screened through cost-
132 effectiveness testing which compares the value and payback period of
133 program benefits to program costs to ensure that programs are
134 designed to obtain energy savings and system benefits, including
135 mitigation of federally mandated congestion charges, whose value is
136 greater than the costs of the programs. Cost-effectiveness testing shall
137 utilize available information obtained from real-time monitoring
138 systems to ensure accurate validation and verification of energy use.
139 Program cost-effectiveness shall be reviewed annually, or otherwise as
140 is practicable. If a program is determined to fail the cost-effectiveness
141 test as part of the review process, it shall either be modified to meet the
142 test or shall be terminated. On or before March 1, 2005, and on or
143 before March first annually thereafter, the board shall provide a report,
144 in accordance with the provisions of section 11-4a, to the joint standing
145 committees of the General Assembly having cognizance of matters
146 relating to energy and the environment (A) that documents

147 expenditures and fund balances and evaluates the cost-effectiveness of
148 such programs conducted in the preceding year, and (B) that
149 documents the extent to and manner in which the programs of such
150 board collaborated and cooperated with programs, established under
151 section 7-233y, of municipal electric energy cooperatives. To maximize
152 the reduction of federally mandated congestion charges, programs in
153 the plan may allow for disproportionate allocations between the
154 amount of contributions to the Energy Conservation and Load
155 Management Funds by a certain rate class and the programs that
156 benefit such a rate class. Before conducting such evaluation, the board
157 shall consult with the Renewable Energy Investments Advisory
158 Committee. The report shall include a description of the activities
159 undertaken during the reporting period jointly or in collaboration with
160 the Renewable Energy Investment Fund established pursuant to
161 subsection (c) of section 16-245n, as amended by this act.

162 (4) Programs included in the plan developed under subdivision (1)
163 of subsection (d) of this section may include, but not be limited to: (A)
164 Conservation and load management programs, including programs
165 that benefit low-income individuals; (B) research, development and
166 commercialization of products or processes which are more energy-
167 efficient than those generally available; (C) development of markets for
168 such products and processes; (D) support for energy use assessment,
169 real-time monitoring systems, engineering studies and services related
170 to new construction or major building renovation; (E) the design,
171 manufacture, commercialization and purchase of energy-efficient
172 appliances and heating, air conditioning and lighting devices; (F)
173 program planning and evaluation; (G) indoor air quality programs
174 relating to energy conservation; (H) joint fuel conservation initiatives
175 programs targeted at reducing consumption of more than one fuel
176 resource; and (I) public education regarding conservation. Such
177 support may be by direct funding, manufacturers' rebates, sale price
178 and loan subsidies, leases and promotional and educational activities.
179 The plan shall also provide for expenditures by the Energy
180 Conservation Management Board for the retention of expert

181 consultants and reasonable administrative costs provided such
182 consultants shall not be employed by, or have any contractual
183 relationship with, an electric distribution company. Such costs shall
184 not exceed five per cent of the total revenue collected from the
185 assessment.

186 (e) Notwithstanding the provisions of subsections (a) to (d),
187 inclusive, of this section, the Department of Public Utility Control shall
188 authorize the disbursement of a total of one million dollars in each
189 month, commencing with July, 2003, and ending with July, 2005, from
190 the Energy Conservation and Load Management Funds established
191 pursuant to said subsections. The amount disbursed from each Energy
192 Conservation and Load Management Fund shall be proportionately
193 based on the receipts received by each fund. Such disbursements shall
194 be deposited in the General Fund.

195 (f) No later than December 31, 2006, and no later than December
196 thirty-first every five years thereafter, the Energy Conservation
197 Management Board shall, after consulting with the Renewable Energy
198 Investments Advisory Committee, conduct an evaluation of the
199 performance of the programs and activities of the fund and submit a
200 report, in accordance with the provisions of section 11-4a, of the
201 evaluation to the joint standing committee of the General Assembly
202 having cognizance of matters relating to energy.

203 (g) Repealed by P.A. 06-186, S. 91, effective July 1, 2006."